

93/2

SAMUEL W. STEVENS, III
Certified Public Accountant

**TWELFTH WARD SAVE OUR COMMUNITY
ORGANIZATION, INC.
NEW ORLEANS, LOUISIANA
Audited Financial Statements
June 30, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/24/10

**TWELFTH WARD SAVE OUR COMMUNITY ORGINAZATION, INC.
NEW ORLEANS, LOUISIANA**

Financial Statements and Independent Accountant's Report

For the Year ended June 30, 2008

TABLE OF CONTENTS

	Page(s)
Independent Accountant's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	6
Notes to Financial Statements	7

OTHER REPORTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	12
Schedule of Findings and Responses	14

SAMUEL W. STEVENS, III CPA

P.O. Box 52631 · Shreveport, LA 71135 · (318) 458-0930 · Fax (866) 531-9558

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Twelfth Ward Save Our Community Organization, Inc.
New Orleans, Louisiana

I was engaged to audit the accompanying statement of financial position of Twelfth Ward Save Our Community Organization Inc.(12th Ward) of New Orleans, Louisiana (a nonprofit organization) as of June 30, 2008 and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the 12th Ward's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The organization recorded adjustments to exclude the beginning balances of it's real property, related cash, debt, and net assets from it's statement of financial position as of June 30 2008. Had adjustments been recorded to disclose these balances and the related transactions as of and for the year ended June 30, 2008, the reader might reach a different conclusion about 12th Ward's financial statements.

In my opinion, except for the effects of such adjustments, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Twelfth Ward as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated July 29, 2009, on my consideration of The Extra Mile's internal control over financial reporting and on my tests of it's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.



July 29, 2009

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

Statement of Financial Position
June 30, 2008

Assets

Current Assets:

Cash	\$ 51,617
Grants Receivable	<u>63,922</u>
Total Current Assets	115,539

Property and Equipment:

Office Equipment	5,546
Computer Equipment	28,685
Less: Accumulated Depreciation	<u>(7,236)</u>
Total Property and Equipment	26,995

Total Assets	\$ <u><u>142,534</u></u>
--------------	--------------------------

Liabilities and Net Assets

Current Liabilities:

Accounts Payable & Accrued Expenses	\$ <u>2,661</u>
Total Liabilities	2,661

Net Assets:

Unrestricted Net Assets	<u>139,873</u>
Total Net Assets	<u>139,873</u>

Total Liabilities and Net Assets	\$ <u><u>142,534</u></u>
----------------------------------	--------------------------

The accompanying notes are an integral part of the financial statements

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

**Statement of Activities
For the Year Ended June 30, 2008**

	<u>Unrestricted</u>
<i>Revenue and Support</i>	
Grants:	
State of Louisiana	\$ <u>645,827</u>
Total Revenue and Support	645,827
<i>Expenses</i>	
Program Services	
Elderly Affairs Program	159,500
Milan Area Senior Center	81,566
Milan Transportation	78,215
Aids Awareness And Outreach Program	55,655
Martin Luther King Training Program	<u>217,269</u>
Total Program Services	<u>592,205</u>
Supporting Services:	
Management and general	<u>10,757</u>
Total Expenses	<u>602,962</u>
Change in Net Assets	42,865
<i>Net Assets</i>	
Beginning of Year	526,741
Adjustment to Exclude Certain Assets and Liabilities	<u>(429,733)</u>
End of Year	\$ <u><u>139,873</u></u>

The accompanying notes are an integral part of the financial statements

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

Statement of Functional Expenses
Page 1 of 2
For the Year Ended June 30, 2008

	<i>Elderly Affairs Program</i>	<i>Milan Area Senior Center</i>	<i>Milan Transportation</i>	<i>Aids Awareness And Outreach Program</i>
Salaries	\$ 90,710	\$ 6,223	\$ 4,100	\$ 44,075
Fringe Benefits	6,076	2,952	-	2,880
Contract Labor	37,000	32,215	61,765	-
Travel	1,253	-	-	-
Operating Services	1,021	-	-	-
Supplies	129	26,934	2,749	-
Equipment	-	-	1,921	-
Professional Fees	23,209	7,200	700	8,700
Other Program Expenses	-	1,861	-	-
Interest Expense	102	-	-	-
Miscellaneous	-	4,181	6,393	-
Repairs	-	-	587	-
Total Expenses Before Depreciation	159,500	81,566	78,215	55,655
Depreciation	-	-	-	-
Total Expenses	\$ 159,500	\$ 81,566	\$ 78,215	\$ 55,655

The accompanying notes are an integral part of the financial statements

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

Statement of Functional Expenses
Page 2 of 2
For the Year Ended June 30, 2008

	<i>Martin Luther King Training Program</i>	<i>Total Program Services</i>	<i>Management And General</i>	<i>Total Expenses</i>
Salaries	\$ 100,691	\$ 245,799	\$ -	\$ 245,799
Fringe Benefits	-	11,908	1,265	13,173
Contract Labor	47,635	178,615	-	178,615
Travel	3,920	5,173	-	5,173
Operating Services	22,712	23,733	9,492	33,225
Supplies	279	30,091	-	30,091
Equipment	-	1,921	-	1,921
Professional Fees	35,411	75,220	-	75,220
Other Program Expenses	-	1,861	-	1,861
Interest Expense	-	102	-	102
Miscellaneous	5	10,579	-	10,579
Repairs	-	587	-	587
Total Expenses Before Depreciation	210,653	585,589	10,757	596,346
Depreciation	6,616	6,616	-	6,616
Total Expenses	\$ 217,269	\$ 592,205	\$ 10,757	\$ 602,962

The accompanying notes are an integral part of the financial statements

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

Statement of Cash Flows

June 30, 2008

Cash Flows from Operating Activities:

Change in Net Assets	\$ 42,865
----------------------	-----------

Adjustments to Reconcile Change in Net Assets to

Net Cash Provided from Operations:

Depreciation	6,616
--------------	-------

(Increase)/Decrease in Receivables	(50,599)
------------------------------------	----------

Increase/(Decrease) in Payables	<u>(25,293)</u>
---------------------------------	-----------------

Total Adjustments	<u>(69,276)</u>
-------------------	-----------------

<i>Net Cash Provided/(Used) by Operating Activities</i>	(26,411)
---	----------

Cash Flows from Investing Activities:

Purchase of Equipment	<u>(2,801)</u>
-----------------------	----------------

<i>Net Cash Provided/(Used) by Investing Activities</i>	(2,801)
---	---------

Cash Flows from Financing Activities

Increase/(Decrease) in Notes Receivable	<u>15,600</u>
---	---------------

<i>Net Cash Flows Provided/Used) by Financing Activities</i>	15,600
--	--------

<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	(12,852)
---	----------

<i>Cash and Cash Equivalents, Beginning of Year</i>	363,744
---	---------

Transfer of Cash and Debt	<u>(299,275)</u>
---------------------------	------------------

<i>Cash and Cash Equivalents, End of Year</i>	\$ <u><u>51,617</u></u>
---	-------------------------

The accompanying notes are an integral part of the financial statements

THE TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 -Organization and Purpose

Background

The Twelfth Ward Save Our Community Organization, Inc. (the "Organization") is a not-for-profit corporation organized under the laws of the State of Louisiana. The purpose for which the Organization is organized are exclusively religious, charitable, scientific, literary, and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.

General

As of June 30, 2008, the Organization administered the following programs:

- Martin Luther King Homemaker Services Program;
- Milan-Broadmoor Senior Center Program;
- Milan Transportation Program;
- Inner City Minority Aids Awareness and Outreach Program

A brief description of each program follows:

- **Martin Luther King Homemaker Services Program**

The Martin Luther King Homemaker Services (MLK Homemakers) Program began in 1992. The major activities of the program consist of performing routine household tasks including dusting, washing dishes, sweeping, running errands, shopping, and some other services needed or requested by clients. The program provides companionship and any other socialization of cleaning activities that will make the clients daily living easier.

- **Milan-Broadmoor Senior Center Program**

The Milan-Broadmoor Senior Center (Milan Area Senior) Program was established in 1966. The program was created to facilitate and actively administer to its many elderly, their need of supportive services and activities which will enhance their independence and encourage community involvement. The program provides transportation for seniors to and from the center to receive a well balance mid-day meal. Other activities are planned for socialization, health related, recreational and educational activities.

- **Milan Transportation Program**

The Milan Transportation Program consists of supplemental funds to Milan Area Senior Citizen Center. Transportation is offered to all senior citizen participants to help increase enrollment by assisting clients with transportation to and from the center. The program is also used to assist seniors with transportation to and from appointments, primarily for medical care, however, other scheduled appointments are permitted.

NOTE 1 - Organization and Purpose, Continued:

General, Continued

- Inner City Minority Aids Awareness and Outreach Program

The Inner City Minority Aids Awareness and Outreach Program began in 1999. The program is an educational outreach that aims to educate all members of the community especially inner city minority in the prevention of HIV/AIDS. The primary goal of the program is to distribute brochures and other educational materials in shopping centers, markets and churches. The program also organizes a giant rally for members of the community.

NOTE 2 - Summary of Significant Accounting Policies:

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the day of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the financial statements.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine the uncollectibility of unconditional promises receivable. The allowance is based on prior year's experience and management's analysis of specific promises made. As of June 30, 2008 there were no unconditional promises receivable.

NOTE 2 - Summary of Significant Accounting Policies Continued:

Contributed Equipment

Contributed equipment is recorded at fair value at the date of donation. If a donor stipulates how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of equipment are recorded as unrestricted support.

Allocation of Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities.

Accordingly, program and support service expenses are specifically identified with or allocated to the Organization's various functions. Expenses requiring allocation include services provided by the Organization's management and administrative staff to specific program-related activities. Expense allocations are prorated based on a percentage of time or actual usage.

Financial Statement Presentation

The financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 116 "Accounting for Contributions Received and Contributions Made", and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations." SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by this statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the required classes of net assets. At June 30, 2008, the Organization has no temporarily restricted or permanently restricted net assets.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Revenues and Support Recognition

Revenues received under government grant programs are recognized when earned. Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

NOTE 3 - Commitments:

The Organization has entered into contractual arrangements with certain individuals to provide operational assistance, tutorial, self-development, and recreational assistance. Such contracts are generally for six (6) to twelve (12) month periods.

NOTE 4 - Contingencies:

The Organization is a recipient of grants from State funds. These grants are governed by various State guidelines, regulations, and contractual agreements.

The administration of the programs and activities funded by these grants is under the control of the Organization and is subject to audit and/or review by the applicable funding sources. Any grant or award funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding sources may be subject to recapture.

At June 30, 2008, approximately one hundred (100) percent of the Organization's operation support is derived from grants.

NOTE 5 - Risk Management:

The Organization is exposed to various risk of loss related to torts; theft of; damage to and destruction of assets for which the Organizations carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated.

NOTE 6 - Concentration of Credit Risk:

The Organization maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000.

NOTE 7 - Directors' Compensation:

During the year 2008, none of the directors was compensated for services as a member of the Organization's board of directors.

SAMUEL W. STEVENS, III CPA

P.O. Box 52631 · Shreveport, LA 71135 · (318) 458-0930 · Fax (318) 219-7841

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
Twelfth Ward Save Our Community Organization, Inc.
New Orleans, Louisiana

I have audited the financial statements of Twelfth Ward Save Our Community Organization, Inc., (12th Ward) (a not-for-profit organization) as of and for the year ended June 30, 2008 and have issued my report thereon dated July 29, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered 12th Ward's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 12th Ward's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified deficiencies in internal control over financial reporting that I consider to be significant.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. I consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting. The control deficiencies noted are described in the accompanying schedule of findings and responses as items 2008-1 and 2008-2.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. I consider items 2008-1 and 2008-2, to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 12th Ward's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the board of directors, management, Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties



July 29, 2009

Twelfth Ward Save Our Community Organization, Inc.
New Orleans, Louisiana

Schedule of Findings and Responses
For the Year Ended June 30, 2008

I have audited the financial statements of Twelfth Ward Save Our Community Organization, Inc., as of and for the year ended June 30, 2008, and have issued my report thereon dated July 29, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2008, resulted in a disclaimer opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses: Yes

Control Deficiency: Yes

Compliance

Compliance Material to Financial Statements: Not Applicable.

b. Federal Awards - Not Applicable.

c. Identification of Major Programs - Not Applicable.

Section II Summary Schedule of Prior Findings

Finding 2007-1 Audited financial statements as of June 30, 2007 were not timely submitted to the Legislative Auditor. The financial records were not in condition to perform an audit to assure the submission of audited financial statements by December 31, 2007

Status: Management did not implement it's corrective action to ensure the timely submission of audited financial statements for the year ended June 30, 2008

Section III Summary Schedule of Current Year Findings

Finding 2008-1 Audited financial statements as of June 30, 2008 were not timely submitted to the Legislative Auditor.

Condition: The financial records were not in condition to perform an audit

Criteria: Audited financial statements are due six months after year end. Therefore the audited financial statements were due by December 31, 2008.

Effect: Financial reporting is not available to management, and funding organizations timely.

Cause: The records require periodic accounting procedures to produce complete and reliable financial statements.

Recommendations: Management should require monthly preparation of financial statements.

Management's response: Management will implement procedures to prepare financial statements on a monthly basis to ensure year end financial reporting is processed in a timely manner to meet state and federal reporting demands.

Finding 2008-2 The financial statements were not prepared in accordance with accounting principles generally accepted in the United States. The organization recorded adjustments to exclude beginning balances of its' real property, related cash, debt, and net assets from its' statement of financial position.

Condition: The organization recorded adjustments to exclude beginning balances of its' real property, related cash, debt, and net assets from its' statement of financial position.

Criteria: The organization is required to produce financial statements prepared in accordance with generally accepted accounting principles

Effect: Statement Of Financial Position does not reflect total resources available to the organization.

Cause: Management decided to exclude the above mentioned beginning balances to provide only program specific activities of the organization.

Recommendations: As required, financial statements must be prepared in accordance with accounting principles generally accepted in the United States.

Management's response: Management will prepare financial statements in accordance with accounting principles generally accepted in the United States.